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SENATE BILL 920

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Carlos R. Cisneros

AN ACT

RELATING TO ENVIRONMENTAL IMPROVEMENT; ENACTING THE LIQUID WASTE REVOLVING LOAN FUND ACT; PROVIDING FOR LOANS TO LOW-INCOME HOUSEHOLDS FOR EXPENSES RELATED TO INSTALLATION OF ON-SITE LIQUID WASTE TREATMENT AND DISPOSAL SYSTEMS; CREATING THE LIQUID WASTE REVOLVING LOAN FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Environmental Improvement Act is enacted to read:

"[NEW MATERIAL] SHORT TITLE. -- This act may be cited as the "Liquid Waste Revolving Loan Fund Act". "

Section 2. A new section of the Environmental Improvement Act is enacted to read:

"[NEW MATERIAL] DEFINITIONS. -- As used in the Liquid Waste Revolving Loan Fund Act:

underscored material = new
[bracketed material] = delete

- 1 A. "department" means the department of
2 environment;
3 B. "fund" means the liquid waste revolving loan
4 fund; and
5 C. "indigent recipient" means an owner of an
6 owner-occupied single-family dwelling, an owner-occupied
7 single-family dwelling with a guest house or an owner-occupied
8 duplex whose household income does not exceed two hundred
9 fifty percent of the federal poverty level. "

10 Section 3. A new section of the Environmental
11 Improvement Act is enacted to read:

12 " [NEW MATERIAL] LIQUID WASTE REVOLVING LOAN FUND CREATED-
13 -ADMINISTRATION. --

14 A. The "liquid waste revolving loan fund" is
15 created in the state treasury. The fund consists of
16 appropriations, gifts, grants, donations and bequests to the
17 fund. Money in the fund shall not revert or be transferred to
18 any other fund at the end of a fiscal year, and income from
19 investment of the fund shall be credited to the fund. The
20 department shall administer the fund, and money in the fund is
21 appropriated to the department for the purposes of the Liquid
22 Waste Revolving Loan Fund Act. Administrative costs of the
23 fund shall be paid by the department until interest revenues
24 in the fund are sufficient to cover administrative costs, at
25 which time administrative costs may be paid from the fund.

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underscored material = new
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1 Expenditures from the fund for loans to indigent recipients
2 shall be made on warrant of the secretary of finance and
3 administration on vouchers signed by the secretary of
4 environment.

5 B. Money in the fund shall be used to provide low-
6 interest, long-term loans to indigent recipients for:

7 (1) permitting, site evaluation, design,
8 purchase and installation costs of a new on-site liquid waste
9 treatment and disposal system; and

10 (2) up to two years of maintenance, operation
11 and any required testing of the on-site liquid waste treatment
12 and disposal system.

13 C. The department shall not establish minimum
14 credit qualifications for indigent recipients as a condition
15 for receiving a loan. Loans from the fund shall be made by
16 the department for a term not to exceed forty years, with an
17 annual interest rate equal to the prime rate as published in
18 the Wall Street Journal on the date of the loan. During the
19 term of the loan, the department shall reduce the interest
20 rate of the loan by:

21 (1) one percentage point below the prime rate
22 if the household income of a recipient of the loan decreases
23 to no less than one hundred fifty percent but no more than two
24 hundred percent of the federal poverty level;

25 (2) two percentage points below the prime

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1 rate if the household income of an indigent recipient of the
2 loan decreases to no less than one hundred percent but no more
3 than one hundred fifty percent of the federal poverty level;
4 or

5 (3) three percentage points below the prime
6 rate if the household income of an indigent recipient of the
7 loan decreases to less than one hundred percent of the federal
8 poverty level.

9 D. A loan shall be repaid in equal annual
10 installments, with the first annual installment due one
11 calendar year from the date on which the loan is issued.

12 Expenditures from the fund shall be supported by loan
13 documents evidencing the intent of the borrower to repay the
14 loan.

15 E. The department, in conjunction with
16 the New Mexico finance authority, shall promulgate rules
17 necessary for the administration of the liquid waste revolving
18 loan fund, including the application procedure and
19 requirements for disbursing loans. "

20 Section 4. APPROPRIATION. -- Five million dollars
21 (\$5,000,000) is appropriated from the general fund to the
22 department of environment for expenditure in fiscal year 2008
23 and subsequent fiscal years to carry out the provisions of the
24 Liquid Waste Revolving Loan Fund Act. Any unexpended or
25 unencumbered balance remaining at the end of a fiscal year
shall not revert to the general fund.

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